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MEMORANDUM FOR: Chairman, CS Agent Panel

SUBJECT : Reduction of Administrative Workload
in the Administration of Agents

1. This memorandum is in response to your request for a preliminary report on the factors which contribute to a substantial workload in the administration of agents, and for suggestions which might result in reducing the workload to a minimum. The suggestions include material developed by the DD/S Support Procedures Committee, Messrs. [REDACTED] who worked with the Nonofficial Cover Committee, Support officers and Operations officers of various DD/S and DD/P components, members of the CS Agent Panel, and others. 25X1A9a

2. There are many factors which contribute to the workload of administration of agents. In the interest of keeping this paper to a manageable proportion, it will be limited to several factors which have been cited as major sources of administrative workload. They are:

- Travel of personnel (Tab A)
- Transportation of personal and household effects and automobiles (Tab B)
- Furniture and furnishings (Tab C)
- Living quarters (Tab D)
- Property accounting (Tab E)
- Official (OP) and personal automobiles (Tab F)
- Duty status reports (time and attendance and leave) (Tab G)
- Allowances (quarters, living, equalization, transfer, education, separation, etc.) Tab H

3. Income tax was not included among the administrative workload factors for discussion in this paper because we do not now have a proposal for the solution of this problem. A meeting to discuss the subject has been scheduled and will be reported separately.

4. In addition to the suggestions regarding individual workload factors some general observations seem appropriate. It should be pointed out that not

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all contracts are the source of excessive administrative workloads. Many contract agents are under simple instruments which require little administrative support. At the same time, there are numerous staff agents and contract and career agents who have been provided with [REDACTED] vehicles, government furniture and other accountable property which tends to equate the agent with staff employees. A sizeable amount of administration is connected with these benefits and can be eliminated by altering the basic philosophy of contracting or by adjusting administrative arrangements. Much of the workload connected with the administration of agent personnel is brought about by the tendency to apply staff employee standards to contract personnel. A large amount of administrative detail is inherent with staff status. This need not apply to contract personnel and especially in the cases of career and contract agents, contracts can be so written as to reduce or eliminate many accounting requirements. It is apparent that misunderstanding exists regarding the basic cause of administrative workload. There is, for example, a fairly wide-spread view that the Agency regulations are at fault and that much of the work is required to satisfy the certifying officers and auditors. The fact is that with the exception of one major workload factor - income taxes - the regulations pertaining to nonofficial cover are quite broad and flexible. They are generally permissive rather than restrictive and, except in the case of appointed personnel (staff agents), who have certain legal rights and obligations, the regulations generally leave to the discretion of operational approving officials a determination as to the pay and other emoluments which will be granted agents, and the conditions under which they will be granted. Compliance with the Director's policy decision requiring special approval of salary in excess of the equivalent of the top of a GS-15 is monitored by the Contract Personnel Division,

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but there are few other requirements levied outside the project approval. It is after the terms of a contract have been established, and if there is not reasonably substantial compliance, that certifying officers and others in the support field have an enforcement responsibility. Even then, it appears that the principal workload is in handling the problems of servicing the agent (not in enforcing a contract) under the permissive rules and procedures which have become SOP over a period of time.

5. As an example of the alternatives now available, we may give a contract agent a salary or fee of, say, \$5,000 annually; provide quarters and living allowance of \$2,000; pay for his travel to his post (reasonable actual expense) in the amount of \$500; provide him with government-owned furniture and transport it to his post at a cost of \$1,000; provide him with a government-owned automobile and transport it to his post at a cost of \$500; and pay for the use of the automobile including fuel, repairs, etc, (total salary and allowances for the first year - \$9,000 plus automobile operating expense to be claimed after expense is incurred). If we do this, a substantial amount of correspondence and accounting probably will result. Alternatively, we may ask the agent to provide his own car and furniture and pay him a salary or fee of \$9,600 for the first year (as much in advance as may be needed for travel, etc) which would include all of the travel and allowances plus \$600 per year for local transportation at his post. No accounting or correspondence should then be required for these items of expense. If the agent has no furniture or automobile, and is financially unable to obtain the necessities, it might be advantageous to increase his salary or fee for the first year in an amount which would enable him to make the necessary purchases than furnish him with government-owned equipment.

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If such an arrangement is inappropriate, considering the operational relationship with the individual, the agent may be given a loan which could be recovered by withholding a part of his pay at headquarters. This should require no administrative work on the part of the agent or the field station to which he is attached. The agent's salary for succeeding years could be specified in the original contract at an appropriate lower amount excluding travel and transportation to his post.

6. We do not have the same latitude in dealing with staff agents and, frequently, a career agent and sometimes a (contract agent) may require certain benefits (which usually generate work) as a consideration of employment, but a great amount of accounting and correspondence can be forestalled if available alternatives are considered with that purpose in mind when the contract is prepared or the staff agent is assigned.

7. Our regulations need revision (and are being rewritten) more for the purpose of making the provisions for agents readily accessible to the employees who need them, and to train these employees, rather than to establish new provisions. Training is an important ingredient in any formula for the reduction of administrative workload. One source of past and present confusion is the variety of interpretations of the categories of employees and agents and the meaning of titles. The recent action of the Agent Panel in endorsing the continuance of the present categories of contract personnel and agents based upon the legal and administrative relationship of the individual to the Agency - rather than the kind of work he is doing - should reduce this problem. We believe

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that any operational situation, official or nonofficial cover, can, insofar as employment or contractual engagement is concerned, be met by use of one of the existing categories of personnel or agents. At the same time it appears that each existing category serves a useful purpose, therefore, it is recommended that no change be made in existing categories while we undergo a training and indoctrination process. If new titles are needed in the future for long-range career or prestige purposes, they can be established as the need is demonstrated.

8. Agency accounting probably is less demanding than that required by most other government agencies (and some private business concerns) but any accounting, that is meaningful, by an agent under nonofficial cover who has limited or no access to accounting or clerical facilities, and whose record keeping is restricted by security, becomes a burdensome chore, not only for the agent but also for his station contact and for headquarters personnel. Most individuals omit some explanation or include some item which may not appear to be official. In either event, the resulting correspondence constitutes a work burden which should be eliminated or reduced to a minimum.

9. It is proposed that action be taken now - without waiting for the regulations to be revised - to put into effect the changes described in the Tabs A through H. As noted above, our current regulations are generally permissive (much of them written to authorize specifically various benefits and to authorize exceptions to the regulations and procedures pertaining to staff employees under official cover). The proposed changes are believed to be within the policy and intent expressed in current regulations. The many and varied circumstances under

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which agents are engaged or assigned virtually prohibit the writing of a usable manual which would contain a section applicable to each case, therefore, it is believed that, in the interest of reducing administrative workload, and in the interest of effective and efficient management of agent personnel, we should look more to the judgement and authoritative decisions of managers in establishing appropriate procedures in the case of each agent. The regulations then would continue to provide policy direction and basic authorizations and limitations for the guidance and compliance of the manager, rather than detailed procedures for the use of clerical and technical personnel. In other words, if the agent contract (or staff agent letter of instructions) is properly prepared under the regulations, the personnel who service the agent need not be concerned about a variety of regulatory requirements since the contract would be the controlling document in an individual case. There may be certain statutory benefits, such as BEC, which would apply in some cases regardless of the contract or letter of instructions, but these would not affect the kind of workload which we are attempting to reduce.

10. During the period when the new procedures are in the developmental stage, it is recommended that Mr. [REDACTED], Secretary to the Agent Panel, act as a focal point in assisting and guiding the contracting officers and Division Support Chiefs and in interpreting to them the policy, intent, and limitations established by the Agent Panel whenever the Divisions desire to take advantage of the allowances based on actual expenses. The Divisions may not desire to apply the new procedures in all cases due to operational and control relationships.

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11. If you approve the approach described in this memorandum and attachments, steps will be taken without delay to obtain the opinions of legal counsel, contracting officers, and certifying officers regarding authority under existing regulations, financial serviceability of the plan and, in particular, the effect which this plan may have on income tax liability.

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